

Message Text

UNCLASSIFIED

PAGE 01 SANTO 01322 100030Z

ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-15 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03
H-02 CIAE-00 COME-00 FRB-01 INR-10 NSAE-00 XMB-04
OPIC-06 LAB-04 SIL-01 AGRE-00 /117 W
-----044232 101859Z /53

R 092106Z MAR 78

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 3816

INFO AMEMBASSY LONDON

UNCLAS SANTO DOMINGO 1322

EO 11652 NA

TAGS: ETRD, EAGR, DR

SUB: GODR CENTRAL BANK GOVERNOR SPEAKS OUT RE US SUGAR POLICY

1. DURING ANNUAL SPEECH TO AMCHAM MARCH 8 ON STATE OF DOMINICAN ECONOMY, GODR CENTRAL BANK GOVERNOR FERNANDO PERICHE ADDRESSED TWO KEY SUGAR POLICY DEVELOPMENTS: US IMPOSITION OF ADDED TARIFF AND FEES, AND GODR QUOTA UNDER ISA.

2. RE US ACTIONS, PERICHE NOTED THAT THE US INCREASED SUGAR LEVIES BY ALMOST 100 PERCENT JANUARY 20, AFTER TRIPLING THE DUTY RATE IN 1976. THIS, HE CLAIMED, REPRESENTS A TRANSFER OF ABOUT US DOLS 88 MILLION FROM A DEVELOPING COUNTRY LIKE THE DR TO AN ECONOMIC SUPERPOWER LIKE THE US, FUNDS WHICH COULD WELL ASSIST THE DR TO PAY FOR ITS IMPORTS OF RICE, WHEAT, CORN AND OTHER COMMODITIES. HE WENT ON TO SAY QUOTE IN ALL LATIN AMERICA THERE IS NO COUNTRY MORE AFFECTED BY THESE MEASURES THAN THE DR, AND IT IS BECAUSE OF THAT THAT WE HAVE STRUGGLED IN VARIOUS NATIONAL AND INTERNATIONAL FORUMS TO CORRECT THIS SITUATION.

...THUS, WE ASKED THE GOVERNMENT OF THAT FRIENDLY NATION, TO WHOM WE ARE UNITED BY TRADITIONALLY CORDIAL RELATIONS, TO REVISE ITS SUGAR POLICY IN SUCH A WAY THAT WHILE PROTECTING ITS LOCAL PRODUCERS, IT DOES NOT INJURE ITS FOREIGN FRIENDS, UNQUOTE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SANTO 01322 100030Z

3. IN LATER DISCUSSION WITH EMBOFF, CENTRAL BANK OFFICIAL EXPLAINED THAT IN ARGUING ITS POSITION RE TRANSFER OF FINANCIAL RESOURCES RESULTANT FROM US SUGAR LEVIES, DR IS NOT CLAIMING THAT INCIDENCE OF TARIFF/FEE IS BORN BY EXPORTER. RATHER, DR COMPARES CURRENT SITUATION WHERE USG DERIVES REVENUES FROM SUGAR IMPORTS, WITH GODR-PREFERRED SITUATION OF QUOTAS WHEREBY AMOUNTS

OF PERMITTED IMPORTS ARE DETERMINED BY USG, AND WHERE QUOTA-HOLDING COUNTRIES RAISE PRICES IN LIGHT OF ADMINISTRATIVELY LIMITED SUPPLY SITUATION, THUS OBTAINING REVENUES EQUAL TO THOSE NOW COLLECTED BY USG UNDER TARIFF/FEE SYSTEM.

4. RE THE ISA, PERICHE SAID THAT IN SPITE OF GODR EFFORTS, ARGUMENTS AND NUMBERS SUPPORTING THE DR'S REQUEST FOR A QUOTA OF AT LEAST 1.250 MILLION MT, THE INITIAL QUOTA AMOUNT COULD NOT BE MODIFIED, QUOTE PRINCIPALLY WITH THE EXCUSE THAT THERE WASN'T TIME DURING THE CONFERENCE FOR A NEGOTIATION OF QUOTAS. FOR OUR COUNTRY, IT IS NOT A MATTER OF TIME BUT OF VITAL IMPORTANCE BECAUSE THIS COUNTRY DEPENDS TO THE GREATEST DEGREE ON THE FREE SUGAR MARKET. OUR POSITION IN THE ISA IS OF SUCH GREAT INTEREST BECAUSE THE IMPLICATIONS OF OUR POSITION ARE TRULY GRAVE FOR OUR SUGAR INDUSTRY. ONLY WHEN THE ISA ACHIEVES, THROUGH REGULATING THE EXPANSION OF WORLD PRODUCTION, AN EFFECTIVE PRICE OVER 12 OR 13 CENTS, WILL THE ISA HAVE A POSITIVE EFFECT ON OUR COUNTRY, AND WE CANNOT FORESEE THIS AT PRESENT. THESE ARGUMENTS INDICATE THAT IT IS BY ALL ACCOUNTS JUST THAT THE DR'S QUOTA BE INCREASED TO THE LEVELS REQUESTED IN GENEVA. UNQUOTE

5. COPIES OF SPEECH (IN SPANISH) BEING POUCHED ARA/CAR.
AXELROD

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, SUGAR, POLICIES, SPEECHES, TARIFFS, EXPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SANTO01322
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780108-0841
Format: TEL
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780387/aaaacvsvy.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 966c4cca-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3386165
Secure: OPEN
Status: NATIVE
Subject: GODR CENTRAL BANK GOVERNOR SPEAKS OUT RE US SUGAR POLICY
TAGS: ETRD, EAGR, DR, US, ISA, (PERICHE, FERNANDO)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/966c4cca-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014